



**MINUTES OF
CITY OF LAS VEGAS AUDIT OVERSIGHT COMMITTEE
City Hall - 8th Floor Conference Room
400 Stewart Avenue
Las Vegas, Nevada
City of Las Vegas Internet Address: <http://www.lasvegasnevada.gov>**

**January 20, 2006
10:00 a.m.**

CALL TO ORDER: Vice-Chair Brown called the meeting to order at 10:10 a.m.

ANNOUNCEMENT RE: COMPLIANCE WITH OPEN MEETING LAW:

City Clerk Barbara Jo Ronemus announced that the requirements of the Open Meeting Law had been met.

ATTENDANCE:

Present: Councilman Larry Brown
Councilman Lawrence Weekly
Member Paul Workman
Steve Houchens, Deputy City Manager
John Redlein, Chief Deputy City Attorney
Radford Snelding, City Auditor
Bryan Smith, Sr. Internal Auditor
Bill Cimo, Sr. Information Technology Auditor
Gary Philips, Internal Auditor II
Bonnie Mocek, Internal Auditor II
Nancy Beaty, Internal Auditor II
Barbara Jo Ronemus, City Clerk
Stacey Campbell, Administrative Secretary, City Clerk's Office

Excused: Chair Michael Kern
Member Jose Troncoso

AGENDA SUMMARY PAGE
AUDIT OVERSIGHT COMMITTEE MEETING OF: JANUARY 20, 2006

SUBJECT:

Approval of the Final Minutes by reference of the Audit Committee Meeting of October 20, 2005.

BACKUP DOCUMENTATION:

None

MOTION:

WORKMAN - Motion to approve – WEEKLY seconded the motion – UNANIMOUS with KERN and TRONCOSO excused

MINUTES:

Mr. Snelding announced that Chairman Michael Kern was absent because he was called to do a deposition and Member Jose Troncoso was out of town. Vice-Chair Brown asked that the record reflect those absences as excused.

(10:10 – 10:10)

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AGENDA SUMMARY PAGE
AUDIT OVERSIGHT COMMITTEE MEETING OF: JANUARY 20, 2006

SUBJECT:

Discussion and possible action on Scheduled Meeting Dates: Thursday, April 20, 2006, Thursday, July 6, 2006, and Thursday, October 19, 2006.

BACKUP DOCUMENTATION:

None

MOTION:

WEEKLY - Motion to adopt Scheduled Meeting Dates – WORKMAN seconded the motion – UNANIMOUS with KERN and TRONCOSO excused

MINUTES:

There was no discussion.

(10:11 – 10:11)

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AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: JANUARY 20, 2006

SUBJECT:

Discussion and possible action on the appointment of the Chairperson and Vice Chairperson for Calendar year 2006.

BACKUP DOCUMENTATION:

None

MOTION:

WEEKLY - Motion to accept the nomination of MICHAEL KERN as Chairman and LARRY BROWN as Vice-Chairman – WORKMAN seconded the motion – UNANIMOUS with KERN and TRONCOSO excused

MINUTES:

Member Workman nominated Michael Kern as Chairman and Larry Brown as Vice-Chairman. Member Weekly verified with Ms. Ronemus that Vice-Chair Brown could be reappointed.

(10:11 – 10:12)

AGENDA SUMMARY PAGE
AUDIT OVERSIGHT COMMITTEE MEETING OF: JANUARY 20, 2006

SUBJECT:

Discussion and possible action on items not included on the Annual Audit Plan.

BACKUP DOCUMENTATION:

None

MOTION:

BROWN - Motion to authorize the addition of this work – WEEKLY seconded the motion – UNANIMOUS with KERN and TRONCOSO excused

MINUTES:

Mr. Snelding explained that if work is done in excess of 40 hours for any particular job, the additional work has to come before the committee for approval. However, there are two exceptions to that rule. The first is when the City Auditor receives direction from the City Council during a Council meeting. The other major exception relates to issues involving fraud investigations and supplying technical support to the City Marshal's Office.

Currently, there are two projects that the City Auditor has been asked to work on that will require more than 40 hours. The first is to help review policies and procedures related to supplies and scrap inventory at the Fire and Rescue repair facility. Mr. Snelding estimated no more than 150 hours would be dedicated to this issue. The second project involves reviewing the policies, procedures and practices related to permit fees and waivers in the Department of Building and Safety. The estimate for this project is 200 hours as there is a larger volume of data to review.

(10:12 – 10:14)

.AGENDA SUMMARY PAGE

AUDIT OVERSIGHT COMMITTEE MEETING OF: JANUARY 20, 2006

SUBJECT:

General Report by the City Auditor.

BACKUP DOCUMENTATION:

Submitted after the meeting: Four PowerPoint presentation slides

MOTION:

Report given

MINUTES:

Mr. Snelding indicated he was authorized to hire a new employee based on recent City Council action, and the process for the recruitment for that position has begun. Mr. Snelding outlined some of the projects the City Auditor's Office is working on: Bill Cimo is heading the credit card receipting project. The Safekey cash control project is in the field-work stage. Bryan Smith is working on the training for Detention and Enforcement Services. Nancy Beaty is the lead auditor on the fire prevention investigation, which is in the planning stage. Mr. Smith is also responsible for working with the Metropolitan Police Department regarding funding formulas, a project which is currently on hold.

Mr. Snelding reported that currently there are seven investigations in process and Gary Phillips is responsible for those jobs, as well as for issuing the completion memos for seven control reviews. Additionally, the City Auditor's Office is working on an investigation of possible violation of Policy 3.16. This policy directs that either the Human Resources Department or the City Auditor's Office conduct an investigation of possible violation. The City Auditor's Office expects the review to take less than 200 hours.

Mr. Snelding stated that his office has been very busy working on cash counts. They have ten pilot cash counts that are in various phases of completion. Bonnie Mocek is the auditor in charge of those projects. Ms. Mocek also has been assigned the responsibility of compounding and coordinating the responses on the recommendation follow up. The individual recommendation follow-up is handled by each member of the staff. There are 909 recommendations included in the Follow-up; 765 are already complete, leaving 139 incomplete or extended. Mr. Snelding clarified that extended issues are those that are beyond the control of the department at this time. He concluded by reporting there are five Follow-up reports that were not yet due.

Vice-Chairman Brown indicated that Metro's Fiscal Affairs will meet this month and the formula issue will be discussed. He suggested that Mr. Smith attend that meeting. Mr. Snelding replied that Auditor staff will attend.

(10:14 – 10:18)

AGENDA SUMMARY PAGE
AUDIT OVERSIGHT COMMITTEE MEETING OF: JANUARY 20, 2006

SUBJECT:

Discussion and possible action on an Actuarial Study of one of the City's self-insurance funds from 2002-2003 Annual Audit Recommendation Follow-Up CAO 2600-0304-05.

BACKUP DOCUMENTATION:

None

MOTION:

BROWN - Motion to hold in abeyance to the next Audit Committee Meeting – WORKMAN seconded the motion – UNANIMOUS with KERN and TRONCOSO excused

MINUTES:

Mr. Snelding explained that this item was originally scheduled to be heard at the October 20, 2006 meeting but was abeyed due to two members being excused. Abeying the item would provide an opportunity for all members to ask questions. With the excused absences of Chairman Kern and Member Troncoso, that situation has been repeated at this meeting. Vice-Chairman Brown stated that this issue was recently the subject of local news stories. He requested this item be held in abeyance so that Chairman Kern could be involved in the dialogue.

(10:18 – 10:19)

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AGENDA SUMMARY PAGE
AUDIT OVERSIGHT COMMITTEE MEETING OF: JANUARY 20, 2006

SUBJECT:

Discussion and possible action on CAO 2900-0506-03 – Internal Control Review Activity Report June 30, 2005.

BACKUP DOCUMENTATION:

1. Internal Control Review Activity Report No. CAO 2900-0506-03 dated June 30, 2005
2. Submitted After the Meeting: Five PowerPoint Presentation Slides

MOTION:

WORKMAN - Motion to approve the Internal Control Review Activity Report No. CAO 2900-0506-03 of June 30, 2005 – BROWN seconded the motion – UNANIMOUS with KERN and TRONCOSO excused

MINUTES:

Mr. Snelding reminded the committee that after an issue relating to a break down of internal control has been investigated, an Internal Control memo is issued quickly so that management has an opportunity to make those changes. Instead of creating five or seven reports, they will summarize in one semi-annual report.

Mr. Phillips indicated that this particular report covers seven previously issued Internal Control Reviews. Thirty-three recommendations were made on the seven reports. There were five reports in Leisure Services, Pitman Safekey theft, theft of Safekey Services, Christensen Safe-Key theft, Kit Carson Safekey theft and the Stupak Community Center vending machines. On the five Leisure Services reports, 29 recommendations were made. One Municipal Court report relating to identity theft had three recommendations. One Field Operations report regarding an unlocked door at the Durango Hills Golf Course had one recommendation. Management of the respective departments all agreed on the recommendations and implementation of the recommendations will be tracked through the Follow-up process.

Vice-Chairman Brown asked about the time frame involved in the Follow-up process. Mr. Snelding replied that when an Internal Control Review is done, it is considered to be due at the time the report is issued. Generally, the departments immediately implement the recommendations.

(10:19 – 10:23)

City of Las Vegas

AUDIT OVERSIGHT COMMITTEE MEETING OF: JANUARY 20, 2006

CITIZENS PARTICIPATION:

None

(10:23)

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MEETING ADJOURNED AT 10:23 A.M.

Respectfully submitted:

STACEY CAMPBELL, Administrative Secretary
Office of the City Clerk